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31 May 1955

CMCC Doc. No. 113.1

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Dear Dick:

1. In accordance with your request, we are submitting herewith a proposal for the development of electronic System No. 2. This proposal is presented in four parts, the first of which is entitled Exhibit A, and provides a statement of the work to be accomplished under the program proposed. The second part, entitled Exhibit B, presents a cost estimate for the development program; the third part, entitled Exhibit C, indicates the nature and quantity of Government-furnished equipment required for conduct of the program, while the fourth part consists of a technical exhibit which provides a discussion of the factors which have been taken into consideration in evaluation of possible solutions to the principal problem under consideration and which concludes with a presentation of the system believed to be best suited to the needs of the over-all program.

2. The technical exhibit directs attention to the uncertainty existing with respect to certain propagation phenomena, and indicates the nature of a test program to be undertaken within the next three weeks to provide a sound basis for procedure. The technical exhibit indicates also the general nature of a back-up protection program now under study which might be activated if results of the test program are unfavorable. An outline of the back-up program was presented verbally to Ernest on the afternoon of 1 June 1955.

3. It is planned to assign top priority to all activities essential to the conduct of the System No. 2 development program, and every effort will be made to complete prototype system development in time to permit the initiation of flight tests on the system by mid-December, 1955.

4. The cost estimate for this program is broken into two parts. The first part includes costs of the development program proper and those entailed in the production and testing of the first complete prototype system; the second part indicates the added sum necessary to construct a second prototype system to be employed first for operating-personnel training purposes, and later to be installed as a second base unit at a suitable site in the United States. On a cost-plus-fixed-fee basis, the estimated cost for the development program and the fabrication and testing of the first prototype system is [REDACTED] the additional cost in providing a second prototype system is [REDACTED]. Thus, if it is the contracting agency's desire to procure two prototype systems, the total cost becomes [REDACTED]. These quotations include an estimate of flight-test costs which have been based, in turn, on an estimate given to us by Kelly.

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5. Engineering work required for development of System No. 2 is continuing under the authorization granted by your organization in the form of Amendment No. 1 to Contract No. A-101. Although the authorization provided by this amendment expires on 4 June 1955, we have received verbal approval from George to ignore the expiration date and to proceed with the work until such time as action can be taken on the present proposal.

Sincerely,



Si

Enclosures:

CMCC 1131.3 (Copies 1-4 of 6)  
CMCC Doc. No. 1132.7 (Copies 1-4 of 6)  
CMCC Doc. No. 1132.8 (Copies 1-4 of 6)  
CMCC Doc. No. 1133.3 (Copies 1-4 of 6)

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